

ILLINOIS COMMERCE COMMISSION

DOCKET NO. _____

DIRECT TESTIMONY

OF

MARK BIRK

Submitted On Behalf

Of

AMEREN CORPORATION

June 19, 2002

ILLINOIS COMMERCE COMMISSION

DOCKET 02-___

PREPARED DIRECT TESTIMONY OF

MARK BIRK

Q: Please state your name and business address.

A: Mark Birk, Ameren Services Company ("Ameren Services"), One Ameren Plaza,
1901 Chouteau Avenue, St. Louis, Missouri.

Q: What is your position with Ameren Services?

A: I am the General Manager, Energy Delivery Technical Services.

Q: Please describe your educational background and employment experience.

A: I received my B.S.E.E. from the University of Missouri-Rolla in 1986, and my
M.S.E.E. from the same institution in 1991. I am a licensed engineer in the State
of Missouri. I began my employment with Union Electric Company in 1986 as an
assistant engineer in the nuclear function. In 1989, I transferred to the Union
Electric's Meramec Power Plant, as an electrical engineer. In 1996, I transferred
to Energy Supply Operations Group and became a Power Supply Supervisor. I
became Manager of Energy Supply Operations in the Spring of 2000. I assumed
my current position in the Fall of 2001.

Q: What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to describe the Ameren and CILCO transmission
systems, to describe post-closing transmission operations, and to discuss the
transmission enhancements that will be made in connection with Ameren's
assumption of control over CILCO, and how those enhancements will benefit
power flows in central Illinois.

25 **Ameren and CILCO Transmission Systems**

26 **Q. Please describe Ameren's transmission system.**

27 A. As of December 31, 2001, AmerenUE owned an operated, or partially owned,
28 approximately 2648 miles of transmission lines, and has interconnection
29 arrangements with 15 investor-owned utilities and with Associated Electric
30 Cooperative, Inc., the City of Columbia, the Southwestern Power Administration
31 and the Tennessee Valley Authority ("TVA"). As of the same date, AmerenCIPS
32 owned and operated approximately 1908 miles of transmission lines, and had
33 interconnection arrangements with 10 investor-owned utilities and with TVA,
34 Wabash Valley Power Association, City Water, Light & Power of Springfield,
35 Illinois, Illinois Municipal Electric Agency, Indiana Municipal Power Agency,
36 Soyland Electric Cooperative and Southern Illinois Power Cooperative. Both
37 AmerenCIPS and AmerenUE are members of MAIN. AmerenCIPS and
38 AmerenUE operate their systems as a single control area, subject to a single open
39 access transmission tariff on file with the Federal Energy Regulatory
40 Commission.

41 **Q. Please describe CILCO's transmission system.**

42 A. As of December 31, 2001, CILCO's transmission system included approximately
43 333 miles of transmission lines. CILCO has interconnection arrangements with 3
44 investor-owned utilities and City Water, Light & Power of Springfield, Illinois.
45 CILCO is a member of MAIN and a transmission and a transmission owner
46 member of the Midwest Independent System Operator, Inc. (MISO), and operates

47 its transmission system under the direction of MISO, pursuant to the terms of the
48 MISO Open Access Transmission Tariff on file with the FERC.

49 **Post-Closing Operations**

50 **Q. Will CILCO operate as part of the Ameren Utilities' control area?**

51 A. No, it will not. While Ameren plans to integrate CILCO into the Ameren system
52 in many respects, Ameren does not intend to alter the manner in which the
53 existing Ameren control area is operated. Ameren UE and Ameren CIPS will
54 continue to operate as a single control area, and Ameren UE and Ameren Energy
55 Generating will continue to jointly dispatch their generation, just as before
56 closing. Ameren will operate CILCO as a separate control area.

57 **Q. Will the operation of a separate CILCO control area limit the ability to
58 achieve synergies, economies and efficiencies?**

59 A. No, it will not. Synergies in the operation of the CILCO system can be achieved
60 without the establishment of a single Ameren control area.

61 **Q. Will the presence of two control areas disadvantage transmission customers
62 in any respect?**

63 A. No, it will not, due to the regional transmission organization ("RTO") plans of the
64 companies involved.

65 **Q. Please discuss Ameren's RTO membership plans.**

66 A. On May 28, 2002 Ameren CIPS and Ameren UE informed the FERC that they
67 intend to participate in the Midwest ISO, either as transmission owners or as
68 members of an independent transmission company ("ITC") that is itself a member
69 of the Midwest ISO.

70 **Q. What are CILCO's RTO membership arrangements?**

71 A. CILCO is already a member of the Midwest ISO. There are no plans to change
72 CILCO's participation in the Midwest ISO after the transaction closes.

73 **Q. Will transmission customers moving power between Ameren and CILCO be**
74 **subject to multiple rates?**

75 A. No. Because the existing Ameren Utilities and CILCO all will be members of the
76 same RTO, customers will pay a single charge to move power between the control
77 areas of the Ameren Utilities and CILCO. This will be true irrespective of
78 whether the existing Ameren Utilities participate in Midwest ISO as transmission
79 owners or as members of an ITC.

80 **Transmission Projects**

81 **Q. Please describe the transmission projects that the Applicants intend to**
82 **undertake.**

83 A. Ameren is committed to several transmission system upgrades that will allow
84 increased power flows in and around the area covered by its transmission system.
85 These projects are as follows:

- 86 1. Upgrade terminal equipment at Ameren's East-West Frankfort
87 Substation. This project is estimated to take six months. It will
88 improve power flows into Ameren, principally from the East.
- 89 2. Upgrade terminal equipment at IP's Baldwin Substation. This
90 project also should take about six months to complete, and will
91 improve power flows from the East.
- 92 3. Build/advance a new 138kV connection with Springfield City,
93 Water Light & Power ("CWLP") between the Pawnee and Toronto
94 Road Substations. This project will take almost 18 months and
95 will improve power flows into CWLP.

- 96 4. Replace the Pawnee 345/138kV transformer with a 560 MVA unit.
97 This project will also take 18 months and will also improve flows
98 into CWLP.
- 99 5. Rebuild approximately 50 miles of 138kV line between the East
100 Springfield and Tazewell Substations. This project will take
101 almost 24 months, and will increase the simultaneous first
102 contingency incremental transfer capability into CILCO.
- 103 **Q. What is the estimated cost of the projects?**
- 104 A. Approximately \$18 million total for all of the projects listed above.
- 105 **Q. How will these projects affect power flows in central Illinois?**
- 106 A. The projects that have been identified would typically be classified as local area
107 upgrades. Local area constraints are often the cause of congestion and the
108 elimination of such constraints can lead to significant increases in transfer
109 capability. The projects identified will allow for greater utilization of the existing
110 transmission capacity.
- 111 **Q. Does this conclude your testimony?**
- 112 A. Yes, it does.